



RETAIL INVENTORY CONTROL PROCEDURES

GOLF DIVISION Salt Lake City Corporation

Effective March 26, 2018

GOLF DIVISION INVENTORY CONTROL PROCEDURE

Purchase orders

This policy describes the procedure for ordering, checking, receiving, tracking and reconciling merchandise inventory in the golf course pro shops of the Salt Lake City Golf Division. In this policy, the term *inventory* includes all retail merchandise or food and beverage items intended for resale, special orders, rental, and demonstration equipment.

Audience

This policy applies to all Golf Division employees who order, receive, stock or sell inventory in the Golf Division's pro shops. This policy also applies to the Golf Administration employees who input inventory related data.

Introduction

Ordering, receiving and tracking inventory in the Golf Division pro shops are very important functions. Historical practices shall not constitute justification for deviation from the procedures and guidelines presented in this document. The material in this document supersedes all previous policies and procedures regarding the handling of *inventory* followed within the Golf Division.

Golf Professionals and pro shop staff act as purchasing agents for Salt Lake City and must abide by the City's administrative rule regarding procurement. All persons participating in a procurement process shall act in accordance with federal, state and city ethics and conflict of interest requirements. Refer to Salt Lake City administrative rules for procurement;

Salt Lake City Code, Conflict of Interest, Chapter 2.44; Executive Order – Employee's Acceptance of Gifts; Utah State Code, U.C.A. §§ 10-3-1301 et.seq., Municipal Officers' and Employees' Ethics Act; Utah State Code, U.C.A. §§ 67-16-1, et. seq., Utah Public Officers' and Employees' Ethics Act.

Failure to follow these policies and procedures may result in disciplinary action.

RESPONSIBILITIES

Golf Professional Responsibilities

Golf Professionals are responsible for ordering inventory within the scope of their retail merchandise budget and for overseeing all inventory related activities conducted in the Golf Division's pro shops. Golf Professionals are responsible for assuring that the appropriate policies and procedures are strictly followed by every employee for whom they have supervisory responsibility that orders, receives, stocks or sells inventory. All inventory transactions should be accurately reported and handled using proper internal controls.

It is the responsibility of the Golf Professionals to ensure payments for the merchandise at the time of sale. Providing merchandise to customers or employees without payment at the time of sale is not allowed.

Pro Shop Employee Responsibilities

Each Golf Division pro shop employee who orders, receives, stocks or sells inventory is responsible for following all of the policies and procedures outlined in this document and for maintaining the safety and security of the City's assets.

INVENTORY CONTROL

Ordering Merchandise

The Golf Professional will place the order with the appropriate vendor. The Golf Professional will post the purchase order details into the retail purchase order form. The retail purchase order form will be updated at least monthly on Dropbox.

Special Orders

Special orders placed for a specific customer must have invoice tagged with customer's name. All special orders are to be shipped to the golf course and rung up through the POS system.

Receiving Merchandise

When merchandise arrives, the Golf Professional or another designated employee should verify the content of the package and the actual quantity within 5 days. The actual received quantity should be noted on the packing slip. Damaged merchandise should be rejected and sent back to the vendor. If packing slip is affixed to box you can sign and date on the box and take picture with

smart phone and upload to Dropbox. If no packing slip is included the Golf Professional must fill out the packing slip alternative form.

The packing slip will be signed and dated by the receiver. The Golf Professional or a designated employee will upload the packing slip with signature and date into Dropbox within 5 days of receipt.

Invoices and Bar Coded Labels

All invoices for retail merchandise must be mailed directly from the vendor to the Golf Administration office. The Office Facilitator will match invoices to the packing slips scanned into Dropbox for each order. The Golf Professional will post the invoice total including discount into the retail purchase order form.

The Office Facilitator will post items from the invoice into each Golf Course's inventory. The Office Facilitator will place in Dropbox the receipt of inventory being added to each Golf Course. The Office Facilitator will then print a bar coded label for each item that requires one.

All items must have a bar coded label attached to them before being placed on the sales floor. Two exceptions apply. The first exception is items that have been entered into inventory using the manufacturer's UPC. The second exception is items where barcodes cannot be physically attached. In this case the POS "quick key" should be used. If merchandise on the sales floor is missing a bar code the item should be pulled to the back office until a bar code can be applied.

INVENTORY ADJUSTMENTS

Vendor Returns

If an item is returned to a vendor, the Golf Professional must request a return authorization number. The Golf Professional will email the Office Facilitator to include the following:

- a. vendor name,
- b. item number or SKU,
- c. description of the item.

The returned item will be removed from inventory after a credit memo is received from the vendor. The Office Facilitator will then place in Dropbox the receipt of inventory being removed.

Car Stock Transfers

If car stock is received from a sales representative, or the representative removes or replaces any item from the pro shop, the Golf Professional must complete a car stock transfer form or request similar documentation for the transaction.

Car stock transfer forms or other appropriate documentation must be submitted to the Office Facilitator. When the car stock transfer is complete the Office Facilitator will then place in Dropbox the receipt of inventory being transferred.

No adjustments to inventory, from a car stock transfer, can be made using the POS without the approval of the Golf Accountant.

Transfers Between Courses

Details for course-to-course transfers of merchandise must be submitted to the Office Facilitator by email. A copy of the email should be sent to the Golf Accountant and the other Golf Professional involved in the transfer. The Office Facilitator will make the appropriate adjustment to inventory and place in Dropbox the receipt of inventory being transferred.

Customer Returns

Customers can receive a full refund within 90 days of receipt. Items that are used or damaged may be subject to no refund at the discretion of the Golf Professional. If no receipt is presented or receipt has expired then customer exchange can be used.

Customer Exchanges

Customer exchanges are done at the discretion of the Golf Professional and should be evaluated per instance. Customer merchandise exchanges may be done when the following conditions are met:

- a. items are carried in our pro shop
- b. trade is full retail price for full retail price, or wholesale price for wholesale price
- c. trade nets to zero or positive balance owing by customer

Miss-rings

It will be at the discretion of the Golf Professional to review miss-rings on a monthly basis, or wait until the semi-annual physical inventory is performed by the Golf Accountant. Items that are obvious miss-rings and are in need of correction can be emailed to the Office Facilitator. The Office Facilitator will make the necessary adjustments to inventory and place in Dropbox the receipt of inventory corrected.

Damages

If merchandise is damaged the Golf Professional will submit a photo of the damaged item with an attached short explanation to the Golf Director or designee for review. Upon the Golf Director's approval, item can be removed from inventory. If camera is not available then the damaged item can be brought to Golf Administration for picture.

Lost/Stolen

Large ticket items such as clubs, bags, etc. that are missing or are suspected to have been stolen must be reported to the Golf Director, Office Facilitator and Golf Accountant immediately, recognizing that some cases will need to be reported to the Law Enforcement if the Golf Director deems it is necessary. The following details are required:

- a. date item was determined to be missing,
- b. golf course name,
- c. quantity,
- d. item number or SKU,
- e. description of item.

The Golf Professional will review surveillance video. If theft or damages are captured on the surveillance video the Golf Professional will save the images for police evidence. The Golf Accountant will remove the item from POS inventory and provide the Golf Professional with a copy of the variance report.

DEMONSTRATION CLUBS

Demonstration clubs can be provided to a customer with collateral. A Demo club sign out form is to be signed by the customer and include the following: Name, Phone Number, Date, Item Description and Customer Signature.

The demonstration sets and clubs can be in the possession of the customer no longer than 48 hours. After this period of time, the merchandise should be returned to the pro shop or a payment for the demonstration merchandise should be received.

Selling Demo/Club Fitting Clubs – Demo/Club Fitting clubs sold are to be priced at cost + shipping + 10%. All Demo clubs sold must have been placed for public use and meet the minimum time frame used (6 months).

EMPLOYEE / PERSONAL USE DISCOUNTS

Employee discounts are the following percentages off the standard mark-up price or the posted public sale price, whichever is lower.

- Clubs 15% off
- All other merchandise 30% off
- Exceptions: Cost + 10% (high end sunglasses such as Oakley, Ray-Ban, Maui Jim)

Special Orders - Employee & School Team special orders are to be priced at cost + shipping + 10%. All in stock items follow the above 15% - 30% off model.

Staff Shirts – Staff shirts sold to employees are to be priced at cost + shipping + 10%. Staff shirts must be a traditional collared golf shirt with golf course logo.

Account Money – No discount is allowed on retail purchases using account money.

Personal Use Discounts - Employees should not request personal use discounts from vendors. If a vendor does provide personal use discounts to Salt Lake City Golf then employee must pay retail price less employee discount as stated above and receipt of payment must be provided with invoice to Golf Administration.

The Golf Professionals are responsible for requiring payment by employees at the time of purchase. Delay of payment is not allowed.

No merchandise owned by employees will be sold through the pro shop. No personal business for personal gain is allowed.

PHYSICAL INVENTORY

Annual Physical Count

Golf Accountant will perform a complete physical count of inventory at each golf course pro shop at least once annually. The Golf Professional must be present during the count of merchandise and the merge of data into inventory. The Golf Professional will sign the inventory merge report after all discrepancies have been corrected, approving the count.

Monthly Counts

Golf Professionals are responsible to conduct monthly spot inventory checks in their respective pro shops upon the Golf Accountant's request. Monthly inventory checks should be conducted by the Golf Professional with report provided by the Golf Accountant. The count of items should be recorded next to the "Count" column of the report.

After the reconciliation, these reports should be submitted to the Golf Accountant within 1 week. Discrepancies found during these random counts may be subject to the lost/stolen procedure. Other discrepancies will be handled at the time of the annual physical count.